

TO: Governor's Energy Efficiency and Renewables Task Force  
Administrative Model and Funding Workgroup Members

FROM: George Edgar  
Kristine Euclide

DATE: May 19, 2004

RE: **Minutes from May 18, 2004 Workgroup Meeting**

---

Workgroup members present:

George Edgar, co-chair	Charlie Higley	Keith Reopelle
Kristine Euclide, co-chair	Chuck McGinnis (by phone)	Larry Salustro
Nino Amato (by phone)	Tom Paque	

Task Force Staff present:

Sarah Justus, DOA	John Marx, DOA
-------------------	----------------

Stakeholders present:

Oscar Bloch, DOA	Dave Hansen, DATCP	Susan Stratton, ECW
Cathy Boies, CFC	Steve Heins, Orion	David Sumi, PA Consulting
Greg Bollom, MGE	Bill Jordahl, Alliant	Dan York, ACEEE
Janet Brandt, WECC	Jessica Kurtenbach, WECC	Brian Zelenak, Xcel
Dan Ebert, PSC	Rick Morgan, consultant	

**The next meeting is scheduled for Friday, June 4<sup>th</sup> from 1:00 – 2:30 p.m. at WECC (211 S. Paterson St., Madison).**

Meeting Outcomes

1. Oscar Bloch, DOA, and David Sumi, PA Consulting, presented to the Workgroup regarding current measurement and evaluation practices for the Public Benefits programs. They discussed the reasoning and process for independently verifying energy impacts and tracking market changes deriving from Public Benefits programs. They noted that measurement and evaluation accounts for 2.9% of the actual FY04 Focus on Energy budget (after accounting for cuts).
2. Workgroup continued discussion of the straw proposals, focusing on the options for program administration. Group agreed that there needs to be better facilitation and coordination among networks already in the field, that a uniform set of criteria and program goals need to be applied to all program administrators and that all options for program administration currently under consideration will require some version of an independent 3<sup>rd</sup> party large commercial and industrial program administrator (i.e. even if the workgroup decides to allow a utility to administer a large C&I program in its service territory, an independent

administrator will have to be established for those utilities that elect not to take this option).

3. Minutes from the May 4<sup>th</sup> meeting were approved.

#### **Issues to be Addressed at Future Meetings**

1. Need to define “large” C&I customers.
2. Should utilities be allowed to administer their own large C&I program in their own service territory? Would this be under the umbrella of Focus on Energy? Or in addition to utility contributions to Public Benefits? If utilities are allowed to retain their own C&I programs, what criteria and program goals will be applied? Who will develop them?
3. In the emerging framework described in meeting outcomes below, who should measurement and evaluation staff report to?

#### **Outcomes from 5-4-04 Meeting**

1. Workgroup reviewed straw proposals from George Edgar, discussing issues of Public Benefits fund collection, agency to function as the overall program administrator and considerations for a fiscal agent versus keeping funds with the utilities until disbursement. Group reviewed memo up to page 10, agreeing that the document accurately reflects the group’s discussions up to this point.
2. Group agreed that some issues may be best left to the Commission to decide as not all stakeholders are involved in the Governor’s Task Force’s activities. One such issue is the cap on annual payments to Public Benefits by individual residential and industrial customers.
3. Definitions for and applications of resource acquisition and market transformation strategies were discussed.
4. Workgroup created a liaison committee to work with the Energy Center of Wisconsin on the energy efficiency potential study. This group will consist of: George Edgar, Dave Helbach (or designee), Chuck McGinnis, Ilze Rukis, Larry Salustro (or designee) and Brian Zelenak. A representative from the Renewables Workgroup may also be added.

In discussing the study, the group agreed that:

- its purpose is to provide a foundation upon which the Public Service Commission can make decisions about appropriate funding levels for Public Benefits
- should include natural gas and customer-owned renewable systems.
- an upfront study issued this summer is not necessary. A summary of the utilities’ research on this issue would be more helpful in the

near-term with a more in-depth analysis of the state's energy efficiency potential to be completed early next year.

5. Group established the following meeting schedule for June and July:  
June 1<sup>st</sup> 10-11:30 a.m.  
June 15<sup>th</sup> 1-2:30 p.m.  
July 6<sup>th</sup> 10-11:30 a.m.  
July 20<sup>th</sup> 1-2:30 p.m.  
It was noted that June 1<sup>st</sup> conflicts with an energy event and may be re-scheduled.
6. Minutes from April 6<sup>th</sup> meeting were approved.

#### **Outcomes from 4-6-04 Meeting**

1. Possible frameworks for the administration of Public Benefits were discussed. Potential role for the PSC may include:
  - resource need identification
  - setting of energy efficiency targets and objectives
  - establishing a budget
  - collecting money from the utilities' revenue requirement
  - overseeing the fulfillment of the energy priorities statute
2. Workgroup also discussed the role of the fiscal agent, agreeing that this entity should be a non-governmental agent and therefore not subject to Chap. 20 changes. The role of this agent would include record keeping and the disbursement of funds as directed by the PSC.
3. Minutes from March 9<sup>th</sup> meeting were approved.

#### **Outcomes from 3-9-04 Meeting**

1. The PSC should oversee the planning, budgeting, goal setting, evaluation and enforcement of the Public Benefits programs.
2. Delivery of Public Benefits services may need to vary depending on the characteristics of a customer class. Due to the homogeneity and mass-market synergies that can be captured within the residential class, group agreed that services for this class are best delivered through a statewide program.
3. Low-income program should remain as a statewide program.
4. Minutes from 2-17-04 meeting were approved.

#### **Outcomes from 2-17-04 Meeting**

1. The spending of Public Benefits funds should be linked with the PSC's resource approval process. Public Benefits efforts should be consistent with and supportive of state resource priorities and objectives.

2. DOA should retain oversight of the low-income programs.
3. Minutes from the 2-3-04 meeting were approved.
4. Suggested role definitions document distributed for use by work group.
5. Presentation by John Marx (DOA) re public benefits funding levels.

#### **Outcomes from 2-3-04 Meeting**

1. Minutes from the January 20<sup>th</sup> meeting were approved
2. Discussion during the majority of the meeting to involve workgroup members and staff. Last 15 minutes of the meeting will be reserved for comments from stakeholders present at the meeting.
3. Once workgroup has developed a preliminary proposal, it will host 2-3 forums in different areas of the state to solicit public input.
4. PSC designated as the agency to oversee utility retention of funds for Public Benefits Programs.
5. As directed by the PSC, the utilities will collect these funds through the utility revenue requirement. Municipalities and coops may opt in as under current statutes. The funds will then be transferred to a non-governmental fiscal agent.
6. Funds are to be collected from utilities through a uniform charge creating collection equity across utilities and among customers.
7. For consistency purposes, low-income program funds should be collected using the same administrative model as that for energy efficiency funds

#### **Distribution List**

- All Administrative Model and Funding Workgroup
- All Task Force Members
- Stakeholders present and/or requesting copies
- Website